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On the implications of the practice – institution distinction: MacIntyre and the application of modern virtue ethics to business¹

Introduction

It would appear that those engaged in philosophical discussion in business ethics have given up on the attempt to make use of MacIntyre's approach to ethics (what I shall call 'modern virtue ethics') and have instead decided that debate about organisational ethics in general and business ethics in particular should be conducted using the language of stakeholding². This is, in my view, a premature abandonment. In this paper, I wish to argue that the implications of the practice – institution distinction which MacIntyre makes have not been fully explored, and, by such exploration, to force the realisation that there is much more fruitful work still to be done here.

The abandonment of modern virtue ethics

MacIntyre is, in a sense, his own worst enemy. He has been characterised as anti-modernity, anti-business (Dobson, 1997, p.128) and anti-managerial. He states, for example, that "much modern industrial productive and service work is organised so as to exclude the features distinctive of a practice" (MacIntyre, 1994, p.286), leading Wicks to conclude that "MacIntyre's views would effectively rule out any conception of business that is remotely similar to capitalism as we know it. [MacIntyre's larger thesis] would appear to require transformation of the economic realm ... towards something fundamentally different than what we would call "business"" (Wicks, 1997, p.133). At the macro level, then, this would seem to imply that MacIntyre's thesis would require such fundamental changes that it is simply not worth our while even setting out on the journey.

At the micro level of the individual corporation, there is the question as to whether expecting firms to operate in what might be called a virtuous way, is simply asking for them to put themselves out of business. Thus, MacIntyre's comment that, "We should therefore expect that, if in a particular society the pursuit of external goods were to become dominant, the concept of the virtues might suffer first attrition and then perhaps something near total effacement" (MacIntyre, 1985, p.196) leads Dobson to conclude that the 'virtuous firm', if placed in a competitive market environment "would rapidly perish" (Dobson, 1996, p.227 and see Dobson, 1997, p.130).

Dobson's suggestion – that if all stakeholders were virtuous, such that the corporate community were a real *polis*, a virtuous firm might flourish – in effect puts the micro level problem firmly back in the macro level arena and leaves Dobson questioning whether the virtuous firm is a feasible and desirable alternative type of business organisation, or no more than a philosopher's pipe-dream (Dobson, 1996, p.231).

And at this point the argument in effect dies with no satisfactory conclusion – or, by implication, the conclusion that it *is* all a philosopher's pipe-dream and therefore not worth pursuing.

The practice – institution distinction explored

Alasdair MacIntyre's arguments for and developments of virtue ethics, and their application to the area of business are already well documented (see Moore, 1997; Collier, 1995, 1998, for example). In order to re-open the debate, however, attention needs to be drawn to two particular aspects of his contribution to virtue ethics. Much of this will already be familiar, but it is necessary to lay out the ground before drawing out the implications.

The first aspect is the notion of a practice. MacIntyre's much-quoted definition of a practice is as follows:

"Any coherent and complex form of socially established cooperative human activity through which goods internal to that form of activity are realized in the course of trying to achieve those standards of excellence which are appropriate to, and partially definitive of, that form of activity, with the result that human powers to achieve excellence, and human conceptions of the ends and goods involved, are systematically extended." (MacIntyre, 1985, p.187)

The particular type of internal good of concern here is the "excellence of the products" (MacIntyre, 1985, p.189). To illustrate this, let us take two familiar situations. Suppose I deliver a course of lectures (the product) through which, not only are my students edified (one lives in hope), but I myself, through "trying to achieve those standards of excellence which are appropriate to, and partially definitive of that form of activity" attain the internal goods of the intellectual stimulation of putting together and delivering a course of lectures, and the satisfaction of enabling others to learn. I do this in the context of the practice of teaching and learning.

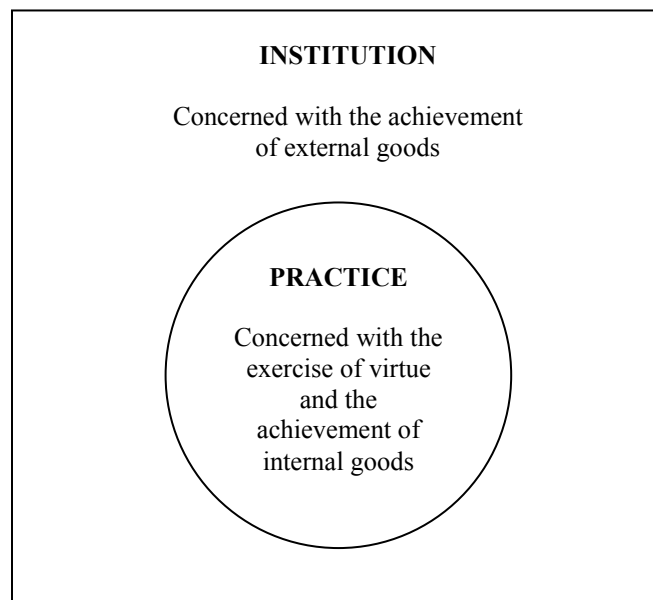
Alternatively, take a situation in which a marketing manager designs and executes a marketing plan through which, not only does the corporation benefit, but the individual derives intellectual stimulation, the enjoyment of the exercise of practical skills and the stimulation that the competitive situation affords. As will be argued later, she does so in the context of the practice of business.

These internal goods derived from practices can be contrasted with external goods such as fame, power, profit or, more generally, success. When achieved, MacIntyre argues, these external goods are always some individual's property and possession. They are characteristically objects of competition in which there must be losers as well as winners. With internal goods, however, although there is competition in one sense, this is competition to excel and so benefits all members of the community engaged in the practice.

This brings us to the second aspect of MacIntyre's work. An important distinction is drawn by MacIntyre between practices and institutions.

"Institutions are characteristically and necessarily concerned with ... external goods. They are involved in acquiring money and other material goods; they are structured in terms of power and status, and they distribute money, power and status as rewards. Nor could they do otherwise if they are to sustain not only themselves, but also the practices of which they are the bearers. For no practices can survive for any length of time unsustained by institutions. Indeed so intimate is the relationship of practices to institutions - and consequently of the goods external to the goods internal to the practices in question - that institutions and practices characteristically form a single causal order in which the ideals and the creativity of the practice are always vulnerable to the acquisitiveness of the institution, in which the cooperative care for common goods of the practice is always vulnerable to the competitiveness of the institution. In this context the essential feature of the virtues is clear. Without them, without justice, courage and truthfulness, practices could not resist the corrupting power of institutions." (MacIntyre, 1985, p.194)

It is possible to depict MacIntyre's schema as follows:



MacIntyre uses the example of chess as a practice to illustrate the nature of practices and of the exercise of virtue within them and the internal goods that might thus be derived (MacIntyre, 1985, p.188). To play chess seriously, however, requires a chess club – an institution which ‘houses’ the practice of chess. The club must have a committee and rules, it must decide who can be a member and what membership fees to charge. It will

enter teams in leagues and decide who is to play in which team. It will achieve a reputation (good or bad) and will be more or less successful on a number of counts – the ‘level’ at which chess is played, the trophies its teams win, the club’s financial viability and so on. It will, in other words be “involved in acquiring money and other material goods; [be] ... structured in terms of power and status, and [will] distribute money, power and status as rewards”.

In normal circumstances the distinction between the practice and the institution will be relatively opaque – they form “a single causal order”. However, there may be occasions in which “the ideals and the creativity of the practice are ... vulnerable to the acquisitiveness of the institution, in which the cooperative care for common goods of the practice is ... vulnerable to the competitiveness of the institution”. The club may, for example, decide to raise the membership fee and seek to attract a ‘better’ class of member in order to move up several leagues and raise its external credibility. This may well be to the detriment of the ‘ordinary’ players who wish to pursue their enjoyment and the perfection of their abilities in so far as they are able.

MacIntyre’s generalised description of institutions and their relationship with practices can be applied in almost any context. MacIntyre himself indicates that, “the range of practices is wide: arts, sciences, games, politics in the Aristotelian sense, the making and sustaining of family life, all fall under the concept” (MacIntyre, 1985, p.188). So, for example, Universities, as indicated above, house the practices of teaching and learning, and research and here the single causal order formed by the practice and the institution is apparent. (It is also apparent to many UK academics that the practices are continuously vulnerable to the acquisitiveness and competitiveness of the institution (and Government in its various guises), and that therefore the need for the virtues (which enable the practices to resist the corrupting power of the institution) is, in this situation, also only too apparent. We will need to return to this point below in the discussion of business as a practice.)

The application of MacIntyre’s schema to business

It does seem, therefore, that MacIntyre’s schema can be applied directly to business as a practice and to corporations as institutions. However, it is necessary to substantiate this claim and to do so in a number of ways. First, it is necessary to reinforce the notion of business-as-practice. Second, and by implication, it is necessary to demonstrate that other parts of business - the functions of business such as marketing, production, human resource management or finance - are not, in themselves, practices. Third, it is also necessary to argue that other features of corporations - management and the employment relationship - are also not practices. Once these points are established, we can then move on to consider the implications of the business-as-practice schema.

MacIntyre acknowledges that in *After Virtue* he did not pay particular attention to productive practices. He later makes good that lack of attention by referring specifically

to productive crafts such as “farming and fishing, architecture and construction ...”. MacIntyre continues,

“The aim internal to such productive crafts, when they are in good order, is never only to catch fish, or to produce beef or milk, or to build houses. It is to do so in a manner consonant with the excellences of the craft, so that there is not only a good product, but the craftsperson is perfected through and in her or his activity” (MacIntyre, 1994, p.284).

It is clear from this description, and from the subsequent discussion of the type of fishing crew that would meet such criteria – a crew whose members have acquired “an understanding of and devotion to the excellences of fishing and to excellence in playing one’s part as a member of such a crew” (MacIntyre, 1994, p.285) – that MacIntyre’s description of a productive craft can be extended to all such productive activities. It follows from this that business, as a productive activity, may be redescribed as a practice. The particular business may be fishing, or producing beef or milk, or building houses, or it may be providing financial services or mining or retailing. In each case the particular “excellences” may differ. What it means to be an excellent builder will clearly differ in some respects from what it means to be an excellent retailer, although there will be common features such as an emphasis on quality and high levels of customer service. The entirely common feature, however, is that each and every business falls within MacIntyre’s definition of a practice as “any coherent and complex form of socially established cooperative human activity”.

The fact that MacIntyre is suspicious of modern economic orders because of their focus on external goods will concern us later, but it by no means destroys the point that business can be regarded as a practice. Instead, it merely points to the fact that the tension between the institution which houses the practice (the corporation) and the practice itself (the business of fishing, retailing, building or whatever) will require particular attention.

To reinforce the concept of business-as-practice let us turn to the second issue, namely whether parts of business, such as marketing or production, can be regarded as practices. It is clear from what MacIntyre says, that it is not just the catching of fish with which he is concerned (see, for example, his earlier discussion, where architecture is given as an example of a practice and bricklaying is not (MacIntyre, 1985, p.187)), but it is the whole range of activities which make up the practice of fishing including the purchase and maintenance of boats and equipment, the preparation of the fish for sale, and the actual sale itself. Not only this, but in his discussion of the ideal fishing crew it is clear that such a crew would not only have a concern for the others of its members, but that such concern would also extend to their immediate families and, potentially, to the whole society of a fishing village (MacIntyre, 1994, p.285). This, of course, stems from MacIntyre’s concern to emphasise the communitarian nature of virtue ethics, but it may be extended here to emphasise that it is the whole range of activities and their associated implications with which MacIntyre is concerned. This reinforces the point that it is not possible to speak in terms of the practice of marketing or production; the practice of business must

be conceived of holistically, not as an aggregation of separate parts, and it is business-as-practice with which we must concern ourselves.

Let us illustrate this by applying it to retailing. Retailing involves all the usual functions of business – the purchasing of stock, employment of staff, purchase or rental of premises, out-of-store advertising, the display and sale of goods, computer systems to track stock, record sales and feed in to the accounts, accounting³, financial control and so on. Retailing involves the integration of all of these elements into a holistic activity. And it is only when we consider the holistic activity that it accords fully with MacIntyre's definition of a practice as a "coherent and complex form of socially established cooperative human activity".

Finally, then, let us turn to the other features of business - management and the employment relationship – and to the argument that they are also not practices in themselves. It has been argued (Beadle, 1998) that employment is a practice or, at least, that employment can be a setting for practices and hence for the exercise of the virtues. However, in correspondence between Beadle and MacIntyre⁴, MacIntyre is unequivocal on this point: "... my use of 'practice' and my use of 'institution' are such that employment can only be a feature of institutions, since institutions determine and enforce the division of labour and employment policies and activities are part of this determination and enforcement", and again, "'Employment' is not for me the name either of a type of practice or a type of institution or organisation, but rather one feature of the lives of certain types of institution or organisation".

The clarification that employment is a feature of institutions reinforces the earlier point that it is business which is the practice. It also clarifies the nature of management, since here similarly it is clear that management is a feature of an institution but not a practice in and of itself. This contradicts Brewer's claim that "management can be construed as a practice under MacIntyre's definition" (Brewer, 1997, p.829), although it is apparent that Brewer herself inadvertently admits to this contradiction when she writes that she has argued that "the business sphere is a complex, cooperative social activity, thus one in which activities can constitute MacIntyre's view of practice" (Brewer, 1997, p.829).

Implications of business-as-practice

As indicated above, we will need to consider in greater depth the inter-relationship between the practice of business and the corporation in which the business is embedded. However, before turning to that, it is worth giving consideration to three direct consequences of the practice – institution distinction.

First, MacIntyre's schema would seem to fit with and help to explain what many individuals experience in working within corporations. In many cases a tension exists between what individuals feel they ought to do when at work and what the corporation expects of them – a kind of ethical schizophrenia⁵. In MacIntyre's terms, they engage with the practice of business "through which goods internal to that form of activity are

realized in the course of trying to achieve those standards of excellence which are appropriate to, and partially definitive of, that form of activity”. However, since the practice of business is often valued for its external goods, they find themselves “... dealing with a type of activity at once alien and antagonistic to practices”. It is clear, as we shall discuss later, that much modern industrial productive and service work *is* organised so as to exclude the features distinctive of a practice (MacIntyre, 1994, p.286), and this leads to the tension that the individuals experience. To redescribe this experience in stakeholder terminology, we could say that individuals find the service of shareholder value in tension with their personal values, which would often support a greater degree of priority being accorded to fellow employees, suppliers or customers, for example. In MacIntyre’s terminology, the dominance of the pursuit of external goods threatens to eclipse the exercise of the virtues within the practice.

A second consequence of the practice – institution distinction is that it helps to explain the claims that are made in respect of the market as a source of the virtues. Maitland, for example, has argued that the market produces both public virtues and private benefits. He notes two opposing views with respect to the market. One view, (the “pessimists”), sees commerce as hostile to the virtues: “the more completely a society has come to be dominated by market relations the weaker will be its capacity to foster the virtues” such that it will be “necessary to carve out sanctuaries from the market – such as family, school, church, community – where the virtues can be nurtured” (Maitland, 1997, p.18). “On this view the market is living on borrowed time – and on borrowed virtues” (Maitland, 1997, p. 20). The alternative approach, (the “optimists”), views the market as capable of generating or replenishing the stock of virtues necessary for the functioning of the market. This is partly because the market rewards the exercise of the virtues.

Thus, Maitland endeavours to show that virtues such as trustworthiness, self-control, sympathy and fairness, that are necessary lubricants of the market, are in fact rewarded by the market because they protect a corporation’s reputation or create business opportunities. “On this account, the virtues are not (just) public goods – that is, unrequited gifts to society – but are a source of private advantage in the marketplace” (Maitland, 1997, p.23). As such, the market fosters the virtues and, hence, he argues, the optimists are correct.

MacIntyre’s schema provides a different explanation for the same phenomenon. Business, as with any practice, rewards those who possess and exercise the virtues with the internal goods that are available. Thus, business is also a potential source of moral development in which “the craftsperson is perfected through and in her or his activity”. Warren, also coming from a MacIntyrian perspective, argues similarly that a corporation, (because it houses the practice of business), should be regarded as “a morally significant institution in addition to being an instrumental organisation designed to fulfil an economic function” (Warren, 1996, p.87). This explanation, then, grounds the exercise, development and rewards for the virtues firmly in the practice of business. In doing so it not only *relocates* Maitland’s argument but does so in a way that makes concrete what is otherwise very abstract. It is not “the market” (whatever that may be⁶) which is capable of generating or replenishing the stock of virtues, but the practice of business housed, as

it is, within corporations. It need not, be, therefore, that “all is seared with trade; bleared, smeared with toil”⁷; we can surely take a more positive view of business activity than that in so far as we concentrate on business-as-practice, with its potential for moral development through the possession and exercise of the virtues.

A third consequence of the practice – institution distinction follows from the second and is well illustrated from Sennett’s (1998) work. The title of his book, “*The corrosion of character. The personal consequences of work in the new capitalism*”, indicates that Sennett takes the opposite view of the free market to Maitland. Sennett bemoans the impact of capitalism on the development of individual character, claiming in effect that it is in the very nature of the capitalist system to undermine the possession and exercise of the virtues. Thus, in relation to one of the principles of capitalism - “no long term”- he notes that, “No long term is a principle which corrodes trust, loyalty and mutual commitment” (Sennett, 1998, p.24). Similarly, “The conditions of time in the new capitalism have created a conflict between character and experience, the experience of disjointed time threatening the ability of people to form their characters into sustained narratives” (Sennett, 1998, p.31). It is not clear that Sennett is aware of MacIntyre’s work (in particular, MacIntyre’s concept of a narrative quest), but the close accord of the terminology is striking.

Sennett concludes:

“One of the unintended consequences of modern capitalism is that it has strengthened the value of place, aroused a longing for community. All the emotional conditions we have explored in the workplace animate that desire: the uncertainties of flexibility; the absence of deeply rooted trust and commitment; the superficiality of teamwork; most of all, the spectre of failing to make something of oneself in the world, to “get a life” through one’s work. All these conditions impel people to look for some other scene of attachment and depth.”
(Sennett, 1998, p.138)

Sennett’s work obviously touches a raw nerve, but as with Maitland, MacIntyre’s schema sheds light on what is actually at the root of Sennett’s concerns, and is suggestive of a way forward. Sennett does not recognise the practice – institution distinction, and so fails to distinguish between the practice (which has the potential to be a place in which the virtues can be exercised, internal goods obtained, contributing to the achievement of the individual’s *telos* within the context of his/her own narrative quest), and the corporation which houses the practice and has its focus on external goods. Consequently, “business” and “capitalism” are castigated together, whereas their separation is essential, and it is the corporation and the wider capitalist system which should form the focus of Sennett’s critique.

A creative tension?

We must, therefore, turn our full attention to MacIntyre's distinction and explore the inter-relationship between the practice of business and the corporation in which the business is embedded.

At first sight this would seem to be problematic. As noted above, MacIntyre is suspicious of institutions which are valued for their external products since, "When they are so valued, we are always dealing with a type of activity at once alien and antagonistic to practices and very much at home in modern economic orders. And much modern industrial productive and service work is organized so as to exclude the features distinctive of a practice" (MacIntyre, 1994, p.286).

Similarly, MacIntyre's earlier comment (quoted above) that, "We should therefore expect that, if in a particular society the pursuit of external goods were to become dominant, the concept of the virtues might suffer first attrition and then perhaps something near total effacement ..." (MacIntyre, 1985, p.196), also suggests that MacIntyre shares very similar views to Sennett on the results of a capitalist system. Even MacIntyre's generalised description of institutions and their relationships with practices could have been written with business specifically in mind, since here the vulnerability of the practice (of business) to the institution (the corporation) seems to be especially clear. Indeed, MacIntyre notes that, "Practices are often distorted by their modes of institutionalisation, when irrelevant considerations relating to money, power and status are allowed to invade the practice" (MacIntyre, 1994, p.289).

However, we need to note three countervailing aspects in order to achieve a more balanced view. First, in returning to MacIntyre's original definition of the practice – institution distinction we should note the intimate relationship of the two. No practice can survive for any length of time unsustained by institutions; they characteristically form a single causal order; there is a consequent intimate relationship between internal and external goods.

Second, we should note that external goods are not objects of disdain. "I need to emphasize at this point that external goods genuinely are goods. Not only are they characteristic objects of human desire, whose allocation is what gives point to the virtues of justice and of generosity, but no one can despise them altogether without a certain hypocrisy." (MacIntyre, 1985, p.196). Similarly, in a later work, MacIntyre returns to the inter-relationship of internal and external goods. It is worth quoting him at length:

"It would be a large misconception to suppose that allegiance to goods of the one kind necessarily excluded allegiance to goods of the other. For on the one hand those forms of activity within which alone it is possible to achieve the goods of excellence [internal goods], can only be sustained by being provided within institutionalised settings. And the maintenance of the relevant institutional and organisational forms always requires the acquisition and retention of some degree of power and some degree of wealth. Thus the goods of excellence cannot be systematically cultivated unless at least some of the goods of effectiveness [external goods] are also pursued. On the other hand it is difficult in most social

contexts to pursue the goods of effectiveness without cultivating at least to some degree the goods of excellence, and this for at least two reasons. The achievement of power, wealth and fame often enough requires as a means the achievement of some kind of genuine excellence. And moreover, since the goods of effectiveness are those goods which enable their possessor to be, within the limits of contingent possibility, what he or she wants, whenever what someone whose fundamental allegiance to effectiveness just happens to want, for whatever reason, is to be genuinely excellent in some way, goods of effectiveness will be put to the service of goods of excellence.” (MacIntyre, 1988, p.35)

Third, we should also note MacIntyre’s point that even if institutions do have corrupting power, “the making and sustaining of forms of human community - *and therefore of institutions* - itself has all the characteristics of a practice, and moreover of a practice which stands in a peculiarly close relationship to the exercise of the virtues ...” (MacIntyre, 1985, p.194, my emphasis).

What follows from this discussion are two important points. The first is that MacIntyre is rightly concerned that when the focus of an organisation’s activity becomes so firmly fixed on external goods to the detriment of the practice and the associated internal goods, the resultant institution (and generalised institutional forms that emerge), can be destructive of community and of individuals within the institution. This is, in effect, Sennett’s contention about the nature of capitalism.

But secondly, MacIntyre’s schema, when worked through, indicates that the tension he initially observes - that the practice is always vulnerable to the acquisitiveness and competitiveness of the institution – may not be as destructive as he suggests. A full reading of MacIntyre potentially hints at a dynamic and creative tension rather than a static and destructive one.

The virtuous corporation

If this is so, what are the implications of this way of thinking about business organisations and this way of construing business ethics?

The first implication is both obvious and important. This is that the corporation must continually be aware that it is founded on and has as its most important function, the sustenance of the practice. This is simply because, without the practice, the institution dies. Thus a retailing organisation which is so focused on external goods, such as profit and shareholder value, that it fails to nurture the practice it sustains - the specific business practice of retailing – will eventually find itself without the skills and resources it requires to sustain the practice. It will, in effect, kill itself from the inside.

But interestingly, the initial responsibility for ensuring that the corporation remains focused on the practice lies with the practice itself. As MacIntyre points out, the essential

feature of the virtues is clear: “without them, without justice, courage and truthfulness, practices could not resist the corrupting power of institutions” (MacIntyre, 1985, p.194). So within those who engage directly in the practice there needs to be the commitment to exercise the virtues not only in pursuit of the internal goods of the practice which benefits them as individuals directly, but also against the corporation when it becomes, as it inevitably will at various times, too focused on external goods. MacIntyre has already made this clear:

“For the ability of a practice to retain its integrity will depend on the way in which the virtues can be and are exercised in sustaining the institutional forms which are the social bearers of the practice. The integrity of a practice causally requires the exercise of the virtues by at least some of the individuals who embody it in their activities; and conversely the corruption of institutions is always in part at least an effect of the vices.” (MacIntyre, 1985, p.195)

The role of the corporation to focus on external goods provides the basis for the second implication of this way of thinking about business organisations and this way of construing business ethics. For it is clear that a focus on external goods is both a necessary and worthwhile function of the corporation. There may, for example, be times when the practice becomes so introverted and self-satisfied that it no longer sets out to achieve “those standards of excellence which are appropriate to, and partially definitive of, that form of activity”. This will in large part be due to a failure of individuals engaged in the practice either to possess or to exercise the virtues.

Again, however, it is difficult for those engaged in the practice to observe this or, even if they do observe it, to do anything about it. An important role of those who represent the corporation, therefore, is to act when they observe excellence not being pursued and to remind those engaged in the practice of their responsibility. This may well be more observable by those who represent the corporation for they will see, in the performance indicators used to measure the achievement of external goods, the failure of the practice to meet “best practice” elsewhere.

All of this, however, is predicated on the corporation conceiving itself as an institution which houses a practice. However, if MacIntyre is right when he says that, “the making and sustaining of forms of human community - *and therefore of institutions* - itself has all the characteristics of a practice, and moreover of a practice which stands in a peculiarly close relationship to the exercise of the virtues ...” (MacIntyre, 1985, p.194, my emphasis), then we have an exciting possibility. It is not just that those who engage directly in the practice of business have the opportunity to exercise the virtues (and thereby to obtain internal goods, thus contributing to the achievement of the individual’s *telos* within the context of his/her own narrative quest), but those who have, in one sense, outgrown the practice and now represent the corporation which houses it, also have the same opportunity in the making and sustaining of the institution. The exercise of the virtues is appropriate at this level also⁸.

Assuming, therefore, that it is reasonable to talk of corporations as moral agents in and of themselves (see Moore (1999)), it seems to be appropriate to talk in terms of those who represent the corporation as having a responsibility to focus on the development of what we might appropriately call, corporate character. This is more than is implied in the terminology of corporate culture, for with it comes the connotation that there is an inherently moral perspective to be considered.

The virtuous corporation will be one which has a corporate character that acknowledges that it houses a practice, that encourages the pursuit of excellence in the practice, aware that this is an entirely moral pursuit, *and* one which pursues the external goods in so far as they are necessary to and support the development of the practice. But it will not be so focused on the external goods that it fails to support the practice on which it itself is founded. The corporation will, however, through the incorporation of the virtues of those who represent it, and of the virtues of influential people in its recent past, be in a position to resist the corrupting power of the organisations with which it, in turn, relates - organisations like competitors, suppliers or those which represent the financial market.

Conclusion

I have suggested that MacIntyre is, in effect, too pessimistic in his criticism of business organisations and that it is precisely in the inter-play between the practice of business and the corporation in which it is embedded, in the inter-play between internal and external goods, that exciting possibilities exist for business and for business ethics.

Is this all simply a “philosopher’s pipe-dream”? Would the virtuous corporation as described here “rapidly perish”? I want to suggest that a fully worked out application of MacIntyre’s modern virtue ethics means that, on the contrary, such firms would flourish. They would do so because the concentration on excellence in the practice and not on external goods *per se*, would, in many cases, actually improve their performance across a range of parameters rather than diminish it⁹. Remembering that one of the cardinal virtues is *phronesis* or practical wisdom, reminds us that there is a certain astuteness expected of the virtuous.

Inevitably, such a concentration on excellence in the practice and the development of virtuous corporations would have an impact on the capitalist business world as we know it. It would be precisely in the application of the virtues, such as justice, within business-as-practice, and in the development of virtuous corporations which, quite literally, *incorporate* justice, that some sort of progress towards the kind of society MacIntyre envisages would be achieved. This may, within the market sphere, allow only for justice according to which “what each receives is proportionate to what each contributes” (MacIntyre, 1999, pp.129-130), leaving MacIntyre’s revised Marxist formula “from each according to her or his ability to each, so far as is possible, according to her or his needs” (MacIntyre, 1999, p.130), to be addressed by wider society. But if at least this were to be the case, it would be a considerable step forward.

But then, how does all this become a practical reality? I have a feeling that, like the gentleman who discovered at the age of eighty that he had been talking prose all his life, the main task lies in turning these concepts into a common-place language. We need to go back a century and more and talk the language of virtues and not of values (see Himmelfarb, 1995, pp.3-18 for example). And we need to explain and explore the concepts of practices and institutions, of internal and external goods, of *telos* and narrative, until modern virtue ethics becomes common parlance and not the domain of the few.

Notes

1. The author would like to acknowledge the comments of Ron Beadle and Professor Deon Rossouw, together with two anonymous reviewers, on earlier versions of this paper.
2. The debate in *Business Ethics Quarterly* ended in 1997 with Dobson's, Wicks' and Brewer's contributions.
3. The position of accounting as a function of business is straightforward. The position of accounting as a profession, or the interaction of professions with either business-as-practice or with corporations as institutions is beyond the scope of this paper. It is of interest to note, however, that Shaw (1995) suggests that professions provide a mediating influence between the corrupting power of the corporation and the common good of the practice.
4. The correspondence consists of a series of e-mails spanning from November 1999 to June 2000 and is quoted with Beadle's agreement. The status of correspondence such as this should be taken into account; it does not necessarily equate to published work.
5. I have noted this elsewhere. See Moore (1993).
6. Jenkins, for example, reinforces this point: " 'The Market' does not 'work', it is people who work. 'The Market' is a metaphor and the 'Free Market' an illusion" (Jenkins, 2000, p.239).
7. Gerard Manley Hopkins' (1953, p.27) phrase from his poem 'God's Grandeur'. This is not a theme that Hopkins is well known for; little is said in his other poems.
8. Beadle (1998) also makes this point.
9. This would not necessarily mean improved financial performance, but it would certainly mean sufficiently good financial performance to ensure survival over the long run. The evidence to date in the area of social and ethical performance versus financial performance, however, which may be taken as at least a surrogate for a focus on the excellences of the practice, *is* suggestive of a positive relationship. See Griffin and Mahon (1997) for a summary.

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